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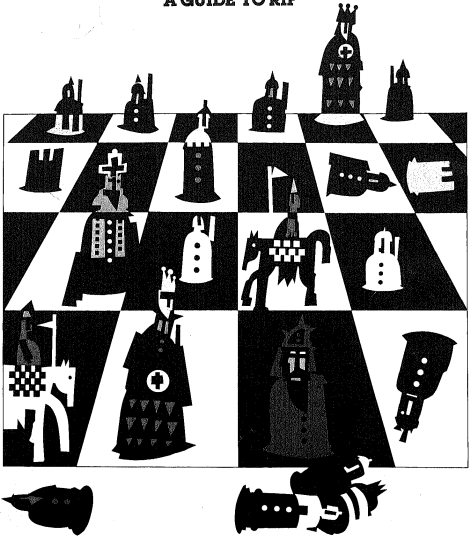
A MAGAZINE FOR GOVERNMENT MANAGERS

MANAGEMENT

Volume 2, No. 4

Fall 1981

A GUIDE TO RIF



FOREWORD

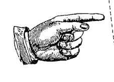
A Forum for Federal Managers

Results of the second **Management** reader survey, based on the Winter 1981 issue, appear below.

Since **Management** was planned as a forum for Federal managers, we are keenly interested in readers' responses to the magazine's content, along with its design and editorial style. We are especially pleased to learn that most of the readers approve of the magazine's generalist approach—at least most of the time.

More important, we are happy to learn that the priority we have given to practical subjects—among them performance appraisal, merit pay administration and coping with work situations—is one that **Management** readers share.

A magazine's direction, like that of a sailing ship, is never in a straight line; progress is made by tacking with the wind. Your views—both positive and negative—are what keep **Management** on course, and we appreciate your taking time to communicate them.



Second **Management** Readers' Survey Results

Please rate the following as:	1 (very interesting)	2 (interesting)	3 (not interesting)
Interview	42%	48%	10%
Performance Appraisal	51	43	6
Merit Pay	45	43	11
Office Practices	47	42	11
Stress, Other Problems	42	49	9
"How to" Articles	53	39	7
Short Takes	41	50	9
First Person Singular	37	49	14
Managers' Reading Digest	48	43	8
State and Local Notes	14	34	52
Legislation	41	45	14
In Brief (Legal Decisions)	35	49	15
Nitty Gritty Page	39	50	11
"No News" Department	25	58	17
After/Words	15	55	30

Ideal article length? 1-3 pages 88% 4-6 pages 10% More than 6 pages 1%
Did you like the design? Very much 70% Fairly well 27% No 3%
Are articles Too general? 6% Too specialized? 2% About right? 92%
Are you Below GS-9? 4% GS-9 to GS-12? 22% GS-13 to GS-15? 68%
Senior Executive? 7% Non-Career? 1% Career? 94% Non-Government 4%
Was this copy Your own? 52% Office-routed? 46% Other? 2%

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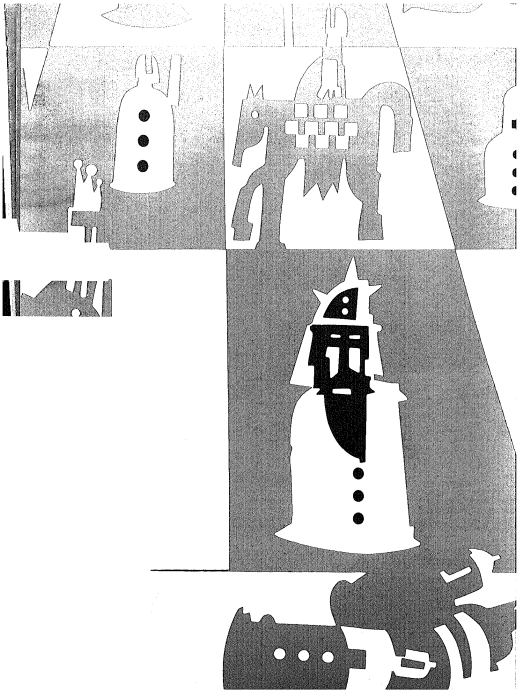
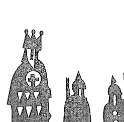


A (RELATIVELY) SIMPLE GUIDE TO RIF

By Efstathia A. Siegel



For federal employees, the word RIF evokes the same sense of dread as the plague must have in the Middle Ages. As with any unanticipated and threatening situation, the more that is known about reductions in force, the better equipped an affected employee or manager is to deal with them.

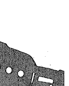
Changes in Administration priorities, lack of funds, decrease in work, or reorganization may require a federal agency to have a reduction in force. While an action by the President or the Congress can trigger a reduction in force in a particular agency, the agency officials decide when a RIF will take place and what positions will be abolished. During a RIF, an agency will displace, lay off, furlough for more than 30 days or demote some of its employees.

After agency reduction in force decisions are made, the prevailing federal RIF system determines which employees will be affected by RIF actions. The present RIF system is derived from the Veterans' Preference Act of 1944, which provided for a retention system based on four factors:

- tenure of employment (i.e., type of appointment)
- military preference
- length of service
- performance ratings

The law is carried out through regulations issued by the Office of Personnel Management (OPM), which are further explained in Chapter 351 of the Federal Personnel Manual.

Abolishment of a position does not necessarily constitute a reduction in force. Management always has the right to abolish positions and make as many reassignments as necessary to achieve agency objectives. As long as no employees are adversely affected, (by reduction in grade or separation) no RIF occurs. A non-RIF reorganization, requiring abolishment of certain positions and reassignment of employees, often takes place when a new head of an agency comes on board with a different set of priorities.



Regardless of how many rumors of projected job cutbacks are circulating in an agency, an employee is officially in a reduction in force only when he or she receives a specific RIF notice indicating demotion, reassignment, furlough for more than 30 days, or separation. Employees are entitled to written general notices at least 30 calendar days (which includes at least 5 days for the specific notice) in advance of a RIF action.

Once a reduction in force is found necessary, agency officials decide what programs and jobs will be eliminated and which employees will lose or change their jobs. To accomplish this, an agency first sets the area within which employees will compete to retain their jobs. This *competitive area* may be described geographically or organizationally, or both. The competitive area includes all or that part of an agency in which employees are assigned under a single administrative authority. It is up to the agency to decide how broad or limited a competitive area will be. It could cover an entire agency or simply one of the agency's major divisions or bureaus. The geographic area is usually confined to a reasonable commuting area. When either a field installation or a departmental headquarters has components in more than one commuting area, a separate competit area may be established for each commuting area.

It is important for an employee know his competitive area becau that area determines with whom t employee will be competing for retention in a RIF. Unless otherwi defined in an employee letter, an agency's competitive area is usual described in the agency's basic directives system. An agency mus have information about its competitive areas available to employees at the time it issues specifi RIF notices.

Within each competitive area al jobs similar in work and grade are grouped so that there is a separate

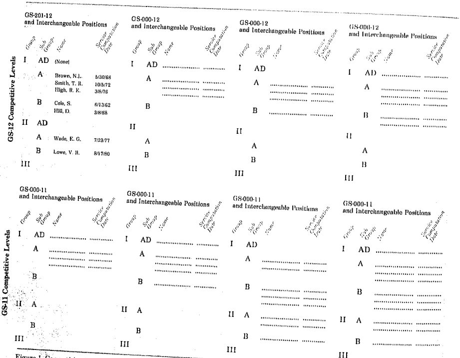


Figure 1. Competitive Levels Within a Competitive Area. A competitive level consists of positions at the same grade or occupational level that are enough alike in qualification requirements, duties, responsibilities, pay schedules and working conditions that they are essentially interchangeable. A competitive level can be composed of positions that are 1) all within the same occupational series, 2) from different series with the same required qualifications, or 3) only certain specializations within an occupational series.

list, a *competitive level*, for each group of interchangeable jobs (See Figure 1). The positions in a competitive level are so alike in qualification requirements, duties, responsibilities, pay schedule and working conditions that an employee can move from one position to any other position without significant training and without interrupting the agency's work program.

A competitive level may consist of many jobs, only a few jobs, or of only one job. Frequently, some occupational series require separate competitive levels for each specialty; e.g., Electronic Engineer (Instrumentation) would not be in the same competitive level as Electronic Engineer (Data Processing). Likewise, Secretary (Stenography) and Secretary (Typing) are in separate competitive levels. Separate competitive levels are established for positions filled on a full-time basis, a seasonal basis, a part-time basis or an intermittent basis. Positions of supervisors and management officials are placed in competitive levels separate from other employees. Positions in the competitive service and in the excepted service are also assigned to separate competitive levels.

After assigning positions to appropriate competitive levels, the agency establishes a separate *retention register* for each competitive level that will be affected by the reduction in force. The retention register consists of every competing employee officially assigned to or temporarily promoted from a position in the competitive level.

As noted earlier, retention standing in a competitive level is based on the four factors prescribed by law: tenure of employment; military preference; length of service; and performance rating.

Each competitive level's retention register is divided into three tenure groups:

- Group I —Nonprobationary career employees
- Group II —Career employees serving probation and career-conditional employees
- Group III —Indefinite, term and status quo employees, and employees serving under temporary appointments pending the establishment of registers.

Each tenure group is divided into three Subgroups, based on military preference:

- Subgroup AD —for veterans with compensable service connected disability of 30 percent or more
- Subgroup A —all other preference eligible veterans
- Subgroup B —non veterans

Figure 2 below shows a retention register covering an individual competitive level.

GS-201-12
and Interchangeable Positions

Group	*Sub Group*	*Name*	*Service Computation Date*
I	AD	(None)	
	A	Brown, N.L. Smith, T. R. High, R. E.	5/30/68 10/5/72 3/8/76
	B	Cole, S. Hill, D.	6/13/62 3/8/68
II	AD		
	A	Wade, E. G.	7/23/77
	B	Lowe, V. R.	8/17/80
III			

Figure 2 Retention Register Covering a Individual Competitive Level.
A retention register includes the name each employee in, detailed from, and ten porarily promoted from, the competitiv level. The name of each employee is liste on the retention register in order of reter tion standing.

In each Subgroup employees are ranked by their *length of service*, with those having the longest service at the top and those with the least at the bottom. Extra service credit is given for performance ratings. If an agency is still using a pre-Civil Service Reform Act summary performance rating system, the rating of "outstanding" is worth four additional years of service; a rating between satisfactory and outstanding is worth two years' credit. A satisfactory rating under the old system receives no additional service credit.

Under a pre-CSRA performance appraisal system, an employee who received a rating of "unsatisfactory" is a *noncompeting employee*, and does not compete for other positions under the RIF regulations. Noncompeting employees are listed apart from the retention register but on the same document.

If an agency is using a new performance rating system under the CSRA, the "outstanding" rating is also worth four years of service credit. Ratings between "fully satisfactory" or its equivalent and "outstanding" may receive from zero to less than four years additional service credit. A rating that meets but does not exceed the agency's minimum performance standards receives no additional credit. Under this performance appraisal system, an employee who received a rating of "unsatisfact requiring a written decision of removal or demotion from the

Employees are released from their competitive level from the bottom to the top: the employee in the lowest Subgroup with the least amount of creditable service would be released first. All employees in a lower Subgroup must be selected for RIF action before any employee in a higher Subgroup is reached. For example, suppose an agency consolidates three offices, each with a budget officer at the same grade, and only one budget officer at that grade is needed in the new office. The budget officer in the highest Group and Subgroup would be retained.

The other two could be reassigned to other jobs for which they qualify at the same grade, or they could compete under the RIF regulations for other positions. To be retained in RIF competition, they would have to take a position occupied by an employee at the same or lower grade and with lower retention standing. If either or both employees are retained but reduced to lower grades, they could be entitled to retain grade and pay. If they are unsuccessful in RIF competition, either or both can be separated.

Agencies may not separate Group I or Group II competitive service employees if there is an available position for which the employee qualifies outside his competitive level. Employees released because there is no one lower in their competitive level are entitled to a reasonable offer of assignment in another competitive level which they can take by "bumping" or "retreat." (These terms are discussed below.) Neither competitive service Group III employees nor employees in the excepted service are entitled to assignment rights to competitive service positions in a

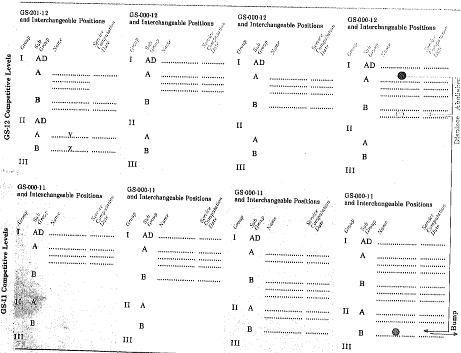


Figure 3. Bumping to a Lower-graded Position. The position of a career veteran in Subgroup IA is abolished and the employee is reassigned to another job in the same competitive level. The IB employee who is subsequently displaced does not qualify for any positions at the same grade even though two employees with lower retention standing in a different competitive level (Y and Z) hold GS-12 positions. The IB employee qualifies for a GS-11 position in a lower subgroup. If the IB employee declines the offer of assignment, the agency may separate him. (The IIB employee who is being bumped is entitled to reassignment at the same grade or to compete for the best possible offer under RIF regulation.)

RIF situation. However, an agency may establish its own system of reduction in force assignment rights exclusively for its excepted service employees.

In some circumstances an agency may be required or permitted to make exceptions to the normal order of release from a competitive level. These circumstances include special restoration rights of returning active military personnel and the special nature of a particular job.

There are two means by which an employee can displace someone in a different type or grade of job. One is by *bumping*; the other is by *retreating*. An employee can bump someone in a lower Subgroup. This means, for example, a IA (career veteran) can bump a IB (career non-veteran), or anyone in Group II or Group III, but cannot bump another IA. Bumping into the position of another employee can occur when two conditions exist: the employee being released is qualified for the position and the second employee is in a lower retention Subgroup. If qualified with essentially the same skills, a displaced employee could bump an employee in a lower Subgroup at the same or lower grade. Under no circumstances may an employee bump another who has a higher grade or rate. Figure 3 and the explanation illustrate bumping to a lower graded position.

In displacement by *retreat*, an employee displaces another within his or her own Subgroup, e.g., an employee in Subgroup IA with ten years of service may retreat to a position held by another employee in Subgroup IA with eight years of service, provided the second employee is in 1) a lower graded position from or through which the first employee was promoted or 2) a position that is substantially the same as one from or through which the first employee was promoted. Retreating occurs when an agency is unable to offer an employee who has been released from his or her competitive level a comparable position through reassignment or bumping rights.

Retreat rights are almost always to positions at a lower grade. Here is

assistance available

Employees receiving RIF notices can get help in finding new jobs through agency and Office of Personnel Management job referral and placement services. Agency *positive placement programs* make referrals for federal or private jobs outside an employee's commuting area.

Each agency dealing with a reduction-in-force also keeps a reemployment priority list for each of its commuting areas. A RIF'ed employee's name automatically goes on the list for all competitive positions for which that employee is qualified and eligible, unless he or she has already turned down an offer that would not have involved a loss of grade or pay. RIF'ed employees with reemployment priority would have first crack at available jobs in that area.

OPM's *Displaced Employee Program* provides government-wide referral for workers who have received RIF notices and can't be placed within their agencies. To apply under the program, an employee should submit a SF 171 through the agency personnel office to OPM. An employee may apply for this help as soon as he has received a specific RIF notice but no later than 90 days after separation or furlough. RIF notices contain procedural information for the Displaced Employee Program and other placement assistance.

OPM also coordinates the *Voluntary Interagency Placement Program (VIPP)* for employees who face the prospect of losing their jobs as well as for those who have been RIF'ed. OPM regions maintain computerized job matching systems that list federal agency vacancies, as well as job openings in the private sector and with state and local governments. The VIP Program depends upon the voluntary exchange of information about surplus employees and vacancies among agencies and OPM.

Keep in mind that, for all RIF-related retention determinations and benefits rights decisions, it is essential to have a current, accurate SF 171 on file with your agency personnel office.

an example of how it works: If an employee formerly was a GS-11 Writer/Editor and was promoted to a GS-12 Public Information Specialist, the employee now has retreat rights to the GS-11 Writer/Editor position. If the employee held a GS-11 Writer/Editor position, was reassigned to a GS-11 Public Information Specialist position, and was then promoted to a GS-12 Information Specialist, the employee has retreat rights to the GS-11 public information job. However, the employee does not have retreat rights to the GS-11 Writer/Editor position he formerly held because he was reassigned rather than promoted from it.

If the released employee declines the offered assignment, the employee may be separated. If the employee accepts the offer, the agency must find a position for the employee who is being displaced, either through reassignment or through the reduction in force process.

An employee does not have a right to be assigned to a *vacant position* under reduction in force regulations. However, if management does offer an employee a vacant position at the grade to which he or she would have been entitled to through the RIF process, the employee's right to assignment has been satisfied. Except as discussed in the next paragraph, a RIF'ed employee who believes OPM RIF regulations have not been correctly applied may appeal to the Merit Systems Protection Board (MSPB). Employees may appeal reduction in force actions to MSPB beginning with the effective date of the RIF action until not later than 20 days after the actual layoff or job change.

An employee in a bargaining unit covered by a grievance procedure that 1) was negotiated after the Civil Service Reform Act and 2) does not exclude reduction in force provisions, must use the negotiated grievance procedure instead of appealing to MSPB. In such cases, time limits for filing or processing a grievance are contained in the employee's collective bargaining agreement.

Efstathia A. Siegel is a writer/editor in the Office of Public Affairs, OPM.

a RIF glossary

Competitive Area—The geographic and organizational area within which employees compete for retention during a reduction in force.

Competitive Level—A grouping of positions at the same grade or occupational level with essentially the same qualification requirements, duties, responsibilities, pay schedules and working conditions. Competitive levels exist within competitive areas.

Retention Register—A list of employees grouped by competitive levels and ranked within the competitive levels by tenure Group, Subgroup and service computation date. These lists are used to determine who will be affected by reduction in force.

Retention Standing—An employee's relative position on a retention register based on his or her tenure Group, Subgroup and service computation date.

Group I—Career employees who are not serving probation.

Group II—Career employees who are serving probation, and career conditional employees.

Group III—Indefinite employees, employees serving under temporary appointments pending establishment of registers, term employees, status quo employees.

Subgroup AD—Preference eligible veterans having a compensable service-connected disability of 30 percent or more.

Subgroup A—Veterans other than those in Subgroup AD having veterans preference for reduction in force purposes (See Note).

Subgroup B—Non veterans.

Bumping—Assigning an employee who is reached for release from one competitive level to a position in another competitive level which is occupied by an employee in a lower retention Subgroup.

Retreating—Assigning an employee to a position from or through which the employee was promoted, when the position is occupied by someone with lower retention standing in the same Subgroup.

Note: For RIF purposes, determinations as to veterans preference eligibility differ from what veterans might otherwise expect. The general provisions on veterans preference are found in FPM chapter 211.

Every tub has got to sit on its own bottom

The United Nations has designated 1981 as the International Year of Disabled Persons. As Executive Director of the Federal Interagency Committee for the IYDP, Harold O'Flaherty is charged with encouraging and assisting Federal agencies' projects in observance of the Year. In addition to building an awareness of the contributions, potential and unmet needs of disabled people, the Federal effort has been geared to learning from other developed countries and sharing information with the developing countries of the Third World.

To mark the International Year, Management's *interview was intended to solicit the views of a handicapped Government manager. Harold O'Flaherty's blindness notwithstanding, we do not seem to have found one.*

On crash management for IYDP

A year ago, when I joined this staff, there was no staff to join. In fact, I was told I had committed bureaucratic and sociological harikari by taking the job. So I decided that "the glass was half full," which is my philosophy of life, and that we would do all that we could with what we had.

Within eight days we pulled the Interagency Committee together. I drafted a goal statement that was accepted and we have targeted our energies to accomplishing the mission expressed in it. We have been able to garner from the 40 participating Federal agencies over 275 projects which we are tracking. Five different agencies have detailed staff. We have gone around to agencies with cup in hand and raised money for media, travel, printing, and assistance in program development, and we've been able to run a lean and mean program, based upon the concept of efficiency and effectiveness. And agencies are doing their projects out of their own operating budget.

On Federal hiring of disabled people

Hiring is not a high priority in th Federal family right now. We ar not trying to "kick against the brick." If we are having a freeze, then we will ultimately have som quotas that we will have to live within. We're encouraging the ag cies and the agencies are encour ing their managers when appropriate to hire.

On good management

First, you've got to know where you want to go. You need a goal structure; goals provide direction, and direction provides energy or synergy because you're all pulling toward the same end. Secondly, I believe that good management is predicated upon forthright communication. You have to tell people where they stand, how they are producing or not producing, whether or not they are on the team. If they're not, you have to tell them what they need to do to get on the team or give them some other options. I believe that people, whether it be in their homes, their communities, their government, whatever the milieu, are looking for leadership. And leadership comes about by charting a course of action, communicating that course of action, involving people in participating in that course of action. Take positions, take risks, challenge the system, challenge your employees, be involved, work. People may get mad at you because you may have to tell them to do something that they don't want to do. But they respond to it, ultimately.

On the new performance appraisal system

On staff operations

I believe in a small span of control but frequent communication with the troops so that they know I care for them, am interested in them. I meet frequently and give the marching orders to my two associate directors on a day to day basis and receive consultation and guidance. This year I have traveled over 50,000 miles. The last three months it's been 60 percent of my time but looking at the year in total, it will probably end up being one third to 40 percent. The person who is in charge of the program acts for me when I'm not here and I check in on a day by day basis except when I'm out of the country. I'm having a brown bag luncheon here on Friday. I make them give up their lunch hour; I just have no qualms about asking people to make sacrifices. Remember the Peter Principle: Every person has a level of incompetence to reach. And I think we aren't challenging people to reach their level, either of competence or of incompetence.

On short term vs. long term goals

We're all under pressure here. Every day is a crisis. Everyday we are behind. An operating agency certainly lives in a similiar situation but the difference is, if these agencies don't get it done during one month or one fiscal year, there will be another to attempt it. We've got one year to build the awareness and provide technical assistance and to have a new beginning in the disability movement. This is an interesting stance for me to take because I was never associated with the disability movement. I have always been out there as a loner, doing my own thing. But I believe that individuals need to be challenged and given the opportunity to achieve to their maximum level.

On problem-solving

In the last three years, I was in the Bureau of Community Health Services and I was always given crummy tasks to perform and to try to straighten out. Everytime that I got it straight, they would move me to another one. I found most of the problems are personality oriented. You take people who have vested interests in territory and move them and say that they are not going to be able to operate that way anymore. They'll say, "Why?" and, basically, I'll say, "Because I'm in charge." And I feel that we need to have good managers who are willing to say "Yes, I will back you all the way to the wall" or "No, damn it, don't do it that way because I said so." So you might find that terribly refreshing or terribly totalitarian in approach. But basically, that's how I have had to come in here to manage this place. Most governments had been planning IYDP activities for 18 months and we had three.

On hierarchies and guidance

We are always working for somebody. We are always living under the authority of somebody. But I think one of the things that we have done in our society is taken that authority figure away. I was on a program in Pittsburgh about two months ago with a forensic psychiatrist. It was one of those interview shows where the two components had no relationship whatsoever but I was listening to this woman being interviewed. They were asking why there was such an increase in crime, particularly black upon black crime and white on white crime. The reason was, she said, that most of the people who are committing the crime now were born in the early sixties, with the burgeoning of the Haight Ashbury movement: "It doesn't matter what you believe as long as you're sincere. I must be true to myself. I must come out from under the authority of my parents and of the state," etc. She said there are no role models and there is no frame of reference on the part of the people who are committing these crimes. They are so frustrated because they have nothing to reach *back for*. They have nothing to provide an internalized set of guidances. So without that information and without that frame, people are so frustrated that they are popping one another off.

On role models

I have a couple, perhaps three. I worked for one. We disliked one another immensely, but he was the best manager that I ever worked with in my entire life. He doesn't project warmth and he really doesn't appear very concerned about the personal and professional lives of his employees. But there was never a manager who could better organize individuals, activities and programs so that they made a significant difference. He had a seven hundred million dollar budget in 1975 when he took over as director. His budget is now 1.2 billion dollars. He has tripled the number of people that use the services provided by the program, and doubled the number of service sites. In addition, he has increased the number of minorities, women and disabled, all those that we theoretically care about, who participate in the program. He did this because it was right; he had a vision of the way that things ought to be, his commitment was focused. He achieved all this through establishing a partnership of headquarters and regional offices. He's made it happen. So he was one of my role models.

The former Assistant Secretary for Health, Dr. Ted Cooper, was another. He was eloquent, he was brilliant, and compassionate. But he managed with an iron hand. People like that who are task oriented, performance oriented, and goal oriented have really impressed me.

Probably from a distance a third role model would be Caspar Weinberger. I was always the junior kid from the Public Health Service who attended his management conferences. I watched the man lead with a sense of eloquence and brilliance. He used rhetoric to challenge people, to direct people and really make things happen. Here's a guy who ran OMB and Health, Education and Welfare, and now he's running the Defense Department. Is it because he's a long time expert in defense? No! He's got a portfolio of skills that makes him stand out as a management communicator. He can motivate, he can stimulate, he can reinforce, and ultimately control. He was and continues to be very much into the goal setting process; people always know where they stand. If you know where you stand, you can do two things: Choose whether to be mediocre where you are or to see new vistas that can be reached by redoubling your effort and learning how to eliminate barriers.

On communication

"I think we aren't challenging people to reach their level, either of competence or of incompetence.

him. We would relegate him to the corner with nothing to do. But I don't think that's fair to the taxpayer, do you? When you don't communicate with people directly, they can develop a very negative self concept. If you take people who don't produce a lot and challenge them to produce something meaningful, and reinforce their good work, they will feel appreciated, will be loyal, and go to the end of the earth with you. It's much easier to load up a good employee with a double portion of the work than to take the time to fairly apportion the workload.

On formal management training

"The trouble with most federal managers is, they dare not learn two-way communication."

Yes, I've had some management training, but I often felt I knew more than those doing the training. Don't be offended by that statement; I feel that management is synonymous with common sense and a positive personality. I'm probably not a very good technical expert in any area; I know a little about writing, I can speak fairly well; I'm not an engineer, accountant, lawyer, doctor or an economist or any of these traditional careers and professions which matriculate into management. But I do believe that management becomes synonymous with the judicious implementation of common sense. I was trained in sociology and picked up my perceptions of people by the seat of my pants. I believe that we have too many people in management roles that have matriculated through the system because they invented, developed, wrote or communicated something. They probably need to be back in the laboratory of their technical expertise. They know a lot about enzymes or how to operate on every 10 centimeters of the gut, but in terms of performance and communicating positive and negative reinforcement, I think you need people who can communicate well to be management leaders. You need people to do it well with a sense of enthusiasm. I think there are maybe two in a hundred that have sound management capability. Those are the people the government should consider as precious. Some of the training that is going on for federal managers in Charlottesville is great. Apparently many of the people that have come back from there are really enthusiastic. They begin to move in and change the structure of the way their office functions. So it's making a difference. You know what's happening to senior level managers now. It isn't money that's the great motivator; rather it's a certain sense of zeal and commitment to what you're doing.

A message to managers

I would challenge managers to raise their expectations of disabled persons. Because a disabled person happens to come to work and happens to every now and then write a good memo that you will sign, don't think that level of performance is superordinate. How about their able-bodied counterparts? Why not use the same performance standards for everyone. Remember that a disabled person who is looking for a job or is under your supervision has the same aspirations and desires that you do. They want a home and family, a sense of accomplishment and all the fruits of success. Because that individual happens to have to take another route to get there, don't create a negative stereotype and pre-judge or ultimately eliminate that person. *You*, as an able-bodied person, can drive to work. I have to modify my mode of transportation by taking a train and then transferring to the metro. The bottom line is, I get there, and do my job effectively, and help the organization meet its goals. Managers need to be pragmatic enough to look at the bottom line rather than the beginning line and remember that no one owes anyone in this country anything but an opportunity. That opportunity sometimes calls for flexibility and common sense. **L.G.T.**

WHY DO EXECUTIVES LEAVE THE FEDERAL SERVICE?

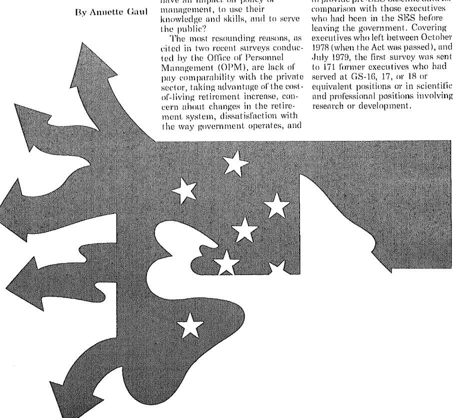
By Annette Gaul

Approximately 1600 career executives left the federal service between July 1979 and June 1981. Why are so many federal executives leaving government service? What causes those in the executive ranks to resign or retire when many claim their positions included challenging assignments and the opportunity to have an impact on policy or management, to use their knowledge and skills, and to serve the public?

The most resounding reasons, as cited in two recent surveys conducted by the Office of Personnel Management (OPM), are lack of pay comparability with the private sector, taking advantage of the cost-of-living retirement increase, concern about changes in the retirement system, dissatisfaction with the way government operates, and concern about how the Senior Executive Service (SES) operates.

About the Surveys

OPM, in an effort to evaluate the effect of the Civil Service Reform Act of 1978, conducted an initial survey to provide pre-SES baseline data for comparison with those executives who had been in the SES before leaving the government. Covering executives who left between October 1978 (when the Act was passed), and July 1979, the first survey was sent to 171 former executives who had served at GS-16, 17, or 18 or equivalent positions or in scientific and professional positions involving research or development.



The second survey was sent to 313 randomly selected executives who left the Senior Executive Service or equivalent grade levels between July 1979 and September 30, 1980. It included a higher number than the first survey due to increased numbers of positions that had come under OPM jurisdiction following reorganization of the former Civil Service Commission and start-up of the SES. Fifty-two percent of the survey forms were completed and returned. The initial survey had a 50 percent return rate.

The second survey was divided into three parts. Part A, paralleling questions in the first survey, was a general section for all respondents. Part B asked a series of follow-up questions of those leaving the federal service for financial reasons. Part C included questions for those who left specifically because of the impact of the Ethics in Government Act and its conflict of interest and financial disclosure provisions, two major areas of concern to federal executives.

Of those responding to the second survey, 78 percent had retired from the federal service and 18 percent had resigned, as compared to the first survey retirement and resignation figures of 66 percent and 33 percent respectively.

According to OPM, several factors significantly influenced the higher retirement rates in the second survey:

• The end in 1980 of the "high-three" years used to compute retirement rates for executives receiving a $47,500 salary in February 1977. The cap of $39,600 used previous to February of 1977 would have meant a lower retirement figure for those retiring sooner than February of 1980.

• The 6 percent biannual cost-of-living adjustment in March 1980, for which those retiring in February 1980 were eligible.

• The likelihood of executives retiring in August 1980 because they anticipated a 7.7 percent cost-of-living adjustment in September 1980, in addition to talk of changes in the retirement system that would cut back on adjustments.

Due to the larger number of retirements in the second survey, those responding had spent somewhat more time in the federal service and tended to be older than those in the initial survey: 61 percent had thirty or more years of federal service compared with 45 percent in the first survey; 38 percent had been federal executives for more than 10 years as compared with 32 percent in the first survey; and about 77 percent were 55 years old or older as compared with 60 percent of the respondents in the first survey.

The second survey also drew a higher representation of non-Washington, D.C. metropolitan area departures (26 percent compared with 17 percent) as well as a small scale increase of female representation (6 percent compared with one percent in the first survey).

Executives' Motives for Leaving the Federal Service

Survey questionnaires provided 15 choices as reasons for leaving the federal service, allowing respondents to mark, in order of importance, their five major reasons. Statistically, the results are as follows:

• A pay factor, the *"possibility of continued ceiling on executive salaries,"* was cited as the most important reason for leaving in both surveys: 65 percent of second survey and 51 percent of first survey respondents chose this as their primary reason. In terms of retirements, it was the number one reason; for those who resigned, it was second.

• The next most cited reason was to *"take advantage of cost-of-living retirement increase"*: 46 percent of all respondents and 58 percent of those actually retiring chose this reason as an important factor in making their decision. (This was not a choice in the initial survey.)

• *"Concern about possible change in the retirement system"* was the third most cited reason, as expressed by 35 percent of second survey and 21 percent of first survey respondents.

• The fourth most cited reason was *"dissatisfaction with the way Government operates, e.g., too much 'red tape', lack of adequate resources to do the job"*: 34 percent of respondents marked this choice—a significantly higher percentage than the 23 percent in the initial survey.

• *"Concern about how the Senior Executive Service operates"* was the fifth most cited reason, chosen by 29 percent of respondents in both surveys. (The second survey respondents were the first group actually to serve after SES implementation.)

In addition to finding out executives' reasons for leaving the federal service, the surveys asked respondents what they liked least about working for the federal government. Responses to this question were very similiar in the two surveys. The most cited reasons were:

What Executives Liked Least	1st Survey	2nd Survey
Inability to take personnel actions which should be a manager's perogative (e.g., hiring, disciplining)	44%	49%
Inadequate resources (e.g., personnel, budget) (tied for first in 1st survey)	44%	40%
Financial sacrifices (fifth in 1st survey)	31%	38%
"Red Tape"	34%	36%
Frustrations in dealing with interest groups, Congress, etc. (third in 1st survey)	36%	30%

Survey results indicated identical rank ordering for what executives liked the most about working in the federal service:

What Executives Liked Most	1st Survey	2nd Survey
Challenging assignments	81%	75%
Opportunity to have an impact on policy or management of a particular program area	67%	66%
Opportunity for public service	58%	53%
Opportunity to use and expand on knowledges and skills in my occupational area	49%	42%
Caliber of persons worked with	45%	35%

SES Concerns of Federal Executives

The three greatest concerns of executives about the SES were identically ranked in each survey with percentage figures varying only two to three percent. It is interesting that respondents to the first survey did not actually serve in the SES, but were projecting their concerns, whereas second survey respondents did serve in the SES. The concerns, with first and second survey percentages reported accordingly, include: 1) "bonuses for performance would not be awarded equitably" (78%, 75%), 2) "there would be political abuse" (61%, 63%), and 3) "entrance into the SES would not be based on merit" (42%, 45%).

The other concerns with the SES differed somewhat, however. A concern that "the performance appraisal process could lead unfairly to demotion of employees to GS-15" ranked fourth in each survey, but with a significant decrease in the number of respondents citing it—37 percent in the first survey and 21 percent in the second.

An increase occurred in the concern that "there would be involuntary movement to jobs in different geographic areas"—20 percent in the second survey compared to 12 percent in the first.

A final concern, which decreased significantly in the second survey, was "there would be undue pressure to transfer to other agencies"—19 percent in the first survey compared to 11 percent in the second.

What Changes Would Help Retain Federal Executives?

"Full pay comparability with industry" was the response by 64 percent of the respondents completing the follow-up questions for those citing pay or retirement factors as a major reason for leaving the federal service. A number of respondents specifically urged that pay be distinctly separated from the pay setting mechanism used for members of Congress. One respondent stated that the ceiling "is so far below comparable levels in private industry that turnover at the senior level becomes a problem in providing quality support to policy formulation." Another suggested that until the system is changed it will be "very difficult to attract good experienced managers."

Another factor that may have induced federal executives to stay, as cited by 59 percent, was "regular pay adjustments." Although this would still not have achieved full working. Of this group, 62 percent have combined retirement pay and salary above their former Federal pay. Of the total number working, 34 percent are in business or industry or self-employed; the rest are professionals, reemployed annuitants, or associated with non-profit organizations, universities, or state and local government.

Would They Return?

Would those executives who resigned from their positions be willing to return to Government service if an acceptable position were offered? Sixty-five percent of first survey respondents stated they would return to the federal service, compared to the second survey in which 50 percent stated they probably or definitely would, 15 percent said they would not and 35 percent said they weren't sure.

Conclusion

Overall, the survey results do not indicate that government executives are significantly unhappy with their federal work experience. In fact, 75 percent of the first survey and 61 percent of second survey respon ents reported finding their ser "very satisfying," while 19 an percent, respectively, found the service "somewhat satisfying." citing the survey results in testimony supporting a raise

SOME PRACTICAL POINTERS ON MOTIVATION

By Annette Gaul

If you are seriously interested in helping people work to the best of their ability, you've no doubt read reams of articles and books describing successful techniques that claim miraculously to improve productivity, rejuvenate employee morale and provide a panacea for all your management problems. You may have discovered, however, that these techniques: a) cost money, b) have legal constraints, c) are extremely time-consuming, and d) require data or other criteria you neither have nor want to know anything about.

With today's budget constraints, you probably don't have a multitude of organizational props on hand to motivate your staff. Yet, even without elaborate systems and unlimited resources, you probably *can* come up with the most valuable props of all: patience, your time and a realistic commitment to be a good people manager.

Your Role in Motivation

Managers, as we all know, "get things done through other people." Next to planning, directing, controlling and the other textbook-defined roles you play, motivating is an unspecified yet critical part of your management function. You set an example for your employees and your own motivation—or lack of it—is obvious in your behavior and work patterns.

Motivating is not something you can schedule from 9 to 9:30 on Wednesday mornings. Rather, it is a *process* that requires your continuing commitment, an objective view of your own management style and an understanding of your effect on your employees.

Today's employee is no longer a cog in a massive work force of synchronized behavior. As Alvin Toffler states in *The Third Wave*, "According to opinion researcher Daniel Yankelovich, only 56 percent of U.S. workers—mainly the older ones—are still motivated by traditional incentives . . . by contrast, as much as 17 percent of the work force already reflects newer values emerging from the Third Wave. (They want) more responsibility and more vital work with a commitment worthy of their talent and skills."

Workers still want money—especially with the current inflation rate and cost-of-living. But money does not have the clout it once did in motivating people. Workers are more seriously considering family, life-styles, and personal goals. They don't feel compelled to give blind obedience to the organization employing them.

Employees want respect, a sense of accomplishment, recognition, responsibility, advancement and personal development, among other things, etc. They're probably the same things you want.

Set an Example

Demonstrating your attitude by playing the lead is a good move; more likely than not, your employees will follow suit. If you are not prompt, conscientious and consistent, you should not demand those qualities of your staff.

Communicate

Keep employees informed about what is going on in the organization. People resent having information dumped on them after the fact; they like to feel they are trusted with information as it becomes available.

Speak plain English. Avoid jargon and obsure terms that may intimidate or inhibit people. Demonstrate your willingness to explain a task or request that was not clearly understood and be alert to indications that you are not getting through to someone. Make your expectations clear and follow the old adage, "Say what you mean and mean what you say."

Actively listen. Listen to what people are really saying—not what you want to hear them say. Make time available to staff so you can meet without interruptions.

Get to know your staff. Do they have career aspirations of which you are not aware? Do they have outside activities or talents that are interesting? The workplace is not someone's entire life. Have an awareness of the person as a whole, rather than as a cog in your machine.

Involve Your Employees

Allow flexibility in decision-making, especially in areas directly affecting your employees. Giving them the opportunity to make their own choices can increase their personal commitment to the organization and their feeling of control over their jobs. Such decision-sharing can include work schedules, task production activities such as setting deadlines, logistical decisions, day-to-day activities and any other areas determined by you and the employee.

Include employees in the goal-setting process. Encouraging their participation allows them to have more of a stake in helping accomplish the goals set.

Interact with your employees as regularly as possible. Make yourself available for give and take. And, don't do all the talking all the time.

Allow opportunities for employees to feel a sense of accomplishment. Let them know how their work fits into the organization by helping them understand how their tasks relate to organizational goals. People like to feel their work is significant and that they are making a contribution.

Respond to Your Employees

Give frequent feedback. You don't have to wait for appraisal time. In fact, whether your comments are positive or negative, letting people know how they are doing is most effective immediately following the performance that warrants it.

Be Supportive

Write a praise memo for an employee's file.

Help workers reach career goals by offering your advice and expertise.

Demonstrate respect for your employees. For example, avoid making staff sit in your office while you are on the phone (their time is as valuable to them as yours is to you); avoid cancelling or scheduling meetings at the last minute (they also have schedules to maintain); and don't ever admonish an employee in front of others (especially their peers).

Recognize and reward staff. Help them get awards when you can. If you can get a raise or promotion for a deserving employee, make every effort to do so.

Invest in Your Employees

Some managers contend that motivational techniques such as bonuses, job-enrichment programs and other institutional incentives are satisfactory. Yet, in our society's changing social and economic structures, it is still important as managers to remember that employees are individuals. Many managers agree that little can replace motivating on a one-to-one basis.

Yes, this is time consuming; and no, you can't spend full-time on motivating your staff. But you can develop your motivational skills and assess your opportunities to use them. Think about those things you can honestly say you already do and those you would feel comfortable trying. Think of alternative actions for those that just don't seem to fit your style. These suggestions neither pretend to offer innovative insight nor discount new approaches being attempted. They simply reiterate that the Golden Rule can be as effective in the workplace as anywhere.

Annette Gaul, a writer-editor in the Office of Public Affairs, OPM, has written a training package on motivation.

Another View of the Merit Pay System

By Meyer J. Harron

On the surface, the merit pay system provided for in the Civil Service Reform Act of 1978 looks good. It is seductively appealing to separate supervisors and management officials, GS-13-15, with their special responsibilities and skills, into a management compensation schedule. Congress bought this partition with enthusiasm as a modern, no-nonsense, business-like plan that provided incentives for decision-makers.

Unfortunately, the implementation of merit pay by individual agencies and the system itself are neither modern, business-like, an improvement over the abjured GS schedule, nor cost-effective. The merit pay system is a costly detour, an exercise in short-term management based upon Nineteenth Century management theories, and is full of mathematical incongruities, tion that it is difficult to list them in this brief article. These disadvantages are very expensive time bombs.

Discrimination Against the Older Worker

The Merit Pay system penalizes the older, loyal, more experienced worker by 1) eliminating longevity pay, 2) linking cost-of-living adjustments with performance, and 3) using base pay as the medium for rewarding short-term, one-time accomplishments.

Many older workers receive longevity pay under the General Schedule, particularly as they reach the higher grade levels in which there are fewer opportunities for promotion. A large number of older employees also are satisfactory workers who have reached their level of competency. Full comparability pay (based upon the rise in the cost-of-living in recent years) permits this type of worker to retain some of the purchasing power his skill level commands, despite inflation. In my opinion, rewarding workers of unusual merit is a different issue from protecting the vast majority of the Government labor force from currency devaluation.

An above average annual base pay increase for a new employee will be a career long term payment for a short term, one-time accomplishment, because base pay increases are *cumulative*. In contrast, the older worker, who has already established his long term worth under the General Schedule, will be judged only by his latest accomplishment under Merit Pay. Short term payment for long term accomplishment is short sighted management.

Coverage

Worse yet, the merit pay system is not being limited to personnel who are primarily supervisors and to managers directly linked to decision-making. By going beyond these target personnel, the agencies endanger the professional expert and technologist who does not supervise large numbers of personnel or make management or policy decisions. The value of technical personnel should continue to be judged by their technical performance. The number of nonsupervisory professionals is far greater than OPM has taken into account.

The inclusion of a large number of professionals under merit pay reflects the perception by management that professionals are not earning a grade 13-15 salary unless they are personally and deeply involved in management or supervision.

By trying to combine professional personnel with supervisors and decision-makers in the GM schedule, it is fairly obvious that OPM and the agencies hope to build a larger (merit) pool of money derived from compensatory and longevity pay for redistribution primarily to managerial personnel. If the supervisors and decision-makers were actually separated, the merit pay pool of these special managerial personnel would be too small in many agencies to provide adequate incentive money to make the huge administrative cost of the merit pay system worthwhile. OPM and the agencies have to ignore the legal separation or admit the fallacies of promoting the Civil Service Reform Act of 1978 in the first place.

The Office of Personnel Management (OPM) places the full-time number of Grades 13 to 15's in February 1981 at roughly 200,000. OPM guesses that 135,000 of these 200,000, or 68 percent, will be in the merit pay system. Thus, we will have two supervisors, managers, or management officials for every one senior expert or professional who provides information and analysis for their use. At least one agency has a ratio of 99 supervisors or management officials for every senior professional or expert. My own guess of a correct proportion of real managers would be considerably less than 40 percent of the 200,000 employees in grades 13 to 15.

Under the merit pay system, the criteria for "management official" are linked to the ultimate determination of policy. In practice, most decision makers empowered to commit the agency are in Grades 16 or above—hence the creation of the Senior Executive Service (SES). Policy decision making traditionally has been the province of political appointees with data backup supplied by career specialists. Such appointees could adequately reflect the change in administrations. In the expansion of the post-WW II Government, supergrades GS-16 to 18 were created partially to support the policy makers. Today, only a few GS-15's have access to this inner circle who participate in determining policy.

Creators of the merit pay system wanted to include all Federal employees, grades 13 to 15. I believe that their bid for the 200,000 in the 13 to 15 grade group under the guise of salary incentives for managerial personnel was intended as a step to replace long-term planning with quick rewards for short-term management. With such zeal at the top, it is no wonder that agency personnel and management officials have stretched the CSRA beyond Congressional intent and understanding. Awards are waiting for agency officials who help meet the October 1, 1981, CSRA deadlines regardless of what they do to the individual employee.

A few brave souls have taken their case to the Federal Labor Relations Authority. In this process, the extent of agency distortion of CSRA and the merit pay system is surfacing. In one such instance (Case No. 2-RO-14, 4 FLRA No. 83), the U.S. Army Communications Systems Agency unsuccessfully sought to name 44 employees in the 13 to 15 group as management officials. Their positions included Operations Research Analyst, Data Management Officer, Procurement Analyst, Communication Specialist, Public Information Officer, Program Analyst, Financial Management Officer, Electronics Engineer, Communications Management Specialist, General Engineer, Traffic Manager and Auditor. The authority ruled for example that the Communication Specialist is "merely used as an expert in public affairs and speech writing and that this role does not extend beyond this to the point of active participation in the ultimate determination as to what policy will be." How many thousands of satisfactory employees with these occupations have been erroneously identified as management officials and will receive less than their GS schedule compensation would be (less of an increase) after October 1981?

If you are a satisfactory worker in the GS system, you receive (1) an in-grade increase and (2) a comparability (100 percent) increase decided by the President with the Congress. If you are a satisfactory worker in the GM (merit pay system), you *do not* receive an in-grade increase and only half of the comparability increase. You will have more money because you are guaranteed 1/2 of the comparability pay. But the annual increase in your pay will be less because you won't get an in-grade increase or the other half of the comparability. The money you will not get will be put in a pool to be redistributed to those deemed highly satisfactory or outstanding. Whether you feel this will be a better system or not, it will mean a substantially smaller increase in pay for the satisfactory employee.

If you are a highly satisfactory or outstanding merit pay system employee, you may get a larger basic pay increase than you would have under the GS system. *But* it isn't a sure thing that you will. You won't if there aren't enough satisfactory workers in your administrative unit (with their losses) around to supply a large enough comparability pay to take into the merit pay pool. Only half of the comparability pay goes into the pool.

In my own agency, eight employees have been waiting (at this writing) over four months for action on their appeal against GM classification on this very issue despite the FLRA decision in the U.S. Army Communications System Agency case. In my opinion, the built-in rigidity and bias of the agency appeal system will cost the average employee a lot of time and money to secure a reversal of a GM determination, whatever its merit.

Comparability

One of the very few OPM decrees and agency interpretations that appear literally in the CSRA is the guarantee that each satisfactory merit pay employee receive *at least* ½ of the comparability pay granted by the President each year. The balance of this comparability pay will be contributed to the merit pay pool to be redistributed.

Federal comparability pay, supposedly linked to private pay, is determined by the President and approved by

Calculation of Cost of CSRA Seminar

# of employees	Step 3 Salary	
GS-13's=111,760	$34,184	=3,820,403,800
GS-14's= 58,894	$40,395	=2,379,023,100
GS-15's= 28,122	$47,517	=1,336,273,000
198,776		7,535,699,900

$\frac{7{,}535{,}699{,}900}{198{,}776}$ = **$37,500 average yearly salary, Step 3**

$\frac{\$37{,}500}{2{,}080}$ (number of hours worked per year) = **$18.03 per hour**

x 20=# of hours (2½

$360.60 per employee

x 198,776 employees

$71,678,625 cost of en

This time does include cost of instructors, planning for seminar, printing material.

$60 million in text is given as a conservative estimate.

Congress on a number of factors that have little to do with individual or organizational performance. Directly or indirectly, private sector pay in recent years has been determined by the rate of inflation. To tie a major part of an incentive pay program to inflation is to tie it to characteristics of a particular period of economic activity. If economic activity changes, will Congress be willing to pay the price for another major pay schedule revision?

The October 1981 comparability pay increase of 4.8 percent is currently 1/3 to 1/2 of the percentage rise in the Consumer Price Index during 1981. If the CPI rise in FY 82 slows to 6 percent due to falling oil prices and lower interest rates, the comparability pay increase in 1982 may slow to 2 or 3 percent. Congress may even refuse this humble gain and come out for zero. A zero increase in comparability pay in 1982 will add a zero comparability contribution to the merit pay pool, as if there were no merit pay system.

Longevity

Although within-grade pay increases have proved successful in maintaining a stable government labor force, merit pay implementation will abolish this incentive for those unfortunate enough to be caught in its net. Within-grade increases are not gifts; they are earned incentive pay for maintaining a certain standard of performance. They are also payments for adhering to a number of professional and personal codes not demanded in the private sector. But, most of all, they are a reward for staying in the government.

Within-grade increases were never automatic. To consider them automatic was a management failure, not a worker failure.

Before the acceleration of price increases, within-grade increases provided just enough money and incentive to keep employees in the government when budgetary and other organizational factors made promotions difficult. Compensatory pay increases were accelerated when within-grade increases failed to meet the rise in the cost of living which became a pay factor in the private sector. If inflation slows, within-grade increases will be needed to hold employees.

The merit pay system in vetoing longevity is voting for short-term stays. Freshly arrived Masters of Business Administration will leave if government, now a declining industry in budget plans, doesn't come through with promotions. With any drop in inflation or additional opinions against the merit pay system by the Federal Labor Relations Authority, the merit pay pool will become a puddle. The government will continue to have trouble recruiting electrical engineers and other shortage occupations once word of the merit pay system and the CSRA spreads. Exceptions to the merit pay system will have to be made on a large scale as our defense expenditures increase.

The really aggressive newcomers won't be influenced by merit pay. It will be promotions that count. These promotion-minded employees generally expect to use government as a springboard to higher paying jobs. Career and political short-stayers who bring little experience to government, usually pick out short-term insignificant programs to solve one at a time while long-term goals are put on the back burner never to be addressed.

Despite the modern trend in organization theory toward nonmonetary motivation, such as the successful Japanese approach to improved productivity, the Civil Service Reform Act ignores the desire of many capable workers looking for accomplishments, a meaningful professional life, and an organizational family over a thirty-year career period.

Cost Overwhelms Benefits

The cost of the Civil Service Reform Act, including the merit pay system, will not be cheap. It will make management and personnel administration a growth industry while total government activity declines. In my opinion, this trend in number and cost of administrative personnel will continue as more employees protect their loss in real income after October 1981 and Federal unions become stronger.

The orientation classes, for example, which introduced the Civil Service Reform Act and the merit pay system to 200,000 GS-13 to -15 Federal workers cost around $60 million (a conservative estimate, see chart). Uninformed instructors were recruited to sell a very unpopular wage plan. The transparent pay cut could not be camouflaged as questions regarding the role of inflation as well as the fate of senior employees kept coming into the discussion. Of course, many basic management actions were unknown to instructors. We soon learned, however, that the Reform Act should be called the Chloroform Act.

The big loss is the opportunity cost. The conversion and administration of GS employees to GM, with the complicated and time consuming measures involved, will probably cost taxpayers up to a billion dollars in the first year of operation. And yet, almost everything claimed for CSRA could have been accomplished under the old CSC GS system, including incentive awards, greater flexibility for supergrades, and closer management guidance for individual employees. The billion dollars could have been used in improving a long-term career system, recruiting outstanding personnel, and providing better service to the public at lesser cost.

Meyer J. Harron is an economist with the Federal Emergency Management Agency.

First Person, Singular is a regular feature intended as a forum for views that may or may not agree with official policy or practices. Your contributions are invited.

Worker Attitude Turnaround

A nationwide study of 3,000 manufacturing and clerical employees has found that two-thirds have experienced a change in attitude toward work and productivity. According to an August 10 *Wall Street Journal* article by Robert W. Goldfarb, most workers want their supervisors to have higher expectations of them and firmer standards regarding performance and behavior. They resent frequently tardy co-workers and those who are regularly absent or unproductive. And they have little respect for supervisors who condone such behavior.

Goldfarb sees one possible reason for such turnaround in worker responsibility as a fear of layoffs and factory closings. Workers also realize that their jobs will be in jeopardy if their companies are not competitive. As a result, workers are more willing to meet higher levels of productivity and to give more honest work hours. Of those interviewed, 60 percent said they only give six hours of work during an eight hour shift to ensure overtime work with overtime pay, or to provide sufficient work during slack times.

In addition to concern for their jobs, Goldfarb suggests that a personal commitment to work harder to restore American pride may have resulted from the growing success of the Japanese and the humbling events in Iran during the recent crisis.
S.W.L.

Managing Within the Matrix System

The matrix system of management expands traditional vertical chains of command to include horizontal chains of command. Several companies that tried the system have abandoned it, primarily because reporting to several managers and supervisors can cause confusion and conflicts for employees.

Business Week (June 15, 1981) reports that Andrew O. Manzini of Ebasco Services, Inc. has come up with a possible solution easing the conflict of clashing orders from superiors and other matrix system problems. Manzini's breakthrough began three years ago, within his own engineering and consulting organization, when a study revealed that the matrix system was causing friction. He and his organizational development (OD) staff zeroed in on installing training and troubleshooting programs.

Manzini's efforts aim to remove the emotional factor from conflicts so that basic issues can be investigated. The OD staff holds formal seminars to explain the matrix system to employees. And, a dual performance evaluation program has been established to ensure that employees who report to two bosses are evaluated by both.

The OD staff act as facilitators to solve problems among project personnel who are in conflict. After getting employees' perceptions of the conflict, they work together to resolve it. More often than not, they find that a detail like faulty scheduling has been the culprit. Knowing that attitudes and behavior can play a big part in causing trouble, management has become more sensitive to trouble that may be brewing, and calls in OD facilitators as preventive medicine.

The matrix system has not won over everyone. Many employees are still not oriented to the system and feel that perhaps their jobs are being deemphasized by it. However, follow-up surveys have revealed that, although the problems inherent in matrix management have not disappeared entirely, they have lessened considerably.
L.I.A.

Management, Female Style

Declining American productivity has been blamed on many factors, from runaway inflation to poor management techniques. Since World War II, a highly structured male management style has prevailed in American corporations. Its credo has been "the buck stops here," with the boss as sole decision-maker.

In contrast, Japan, which has enjoyed steadily increasing productivity rates, has adopted what the April 17 *Washington Star* calls a highly successful female management style.

This style is characterized by concern for workers' emotional and physical well-being and by consensus decisionmaking, arrived at by involving all levels of workers in the company. According to UCLA management professor William Ouchi, this personnel management technique is the key to Japanese success.

For this reason, it is entirely possible that the female management style will become the dominant style in American management, as more and more women attain top corporate positions. *E.A.S.*

An Aging Work Force

A management issue of increasing economic and social importance to industrialized countries is the aging work force. In the U.S., birth and death rates have steadily declined since the post World War II baby boom. In Japan, the decline has been dramatic: the average life span has increased from 50 in the mid-1930's to 70 years today, and the birth rate has dropped from 2.3 million in 1947 to 1.5 million in 1980.

The U.S. work force, like our country, is growing old. *Business Week* (April 20) reports that the over-65 population is 12 percent in the U.S. and 9 percent in Japan. By 2020, however, it is expected to reach 19 percent in Japan.

These figures will result in an increasing "dependency ratio" of nonworkers to workers, with a concomitant increase in retirement, pension and insurance costs to employers, employees and the public.

Japan's giant Mitsubishi Corporation has been forced to cut off automatic annual pay raises, a mainstay of Japanese compensation practices, for its 10,000 employees. Mitsubishi will continue to reduce the age ceiling for raises as the number of people qualifying for pensions goes up. The company intends to lower the salary base on which pensions are calculated as well as to save money from the automatic raises in order to pay for expanded pension programs. Changing demographics not only alter corporate Japan's fiscal policies but also are increasingly affecting its cultural traditions. Younger workers, products of the baby boom, will be forced to pay huge amounts in taxes while not being able to rise steadily in the corporate ranks because of bottlenecks occurring in the mid-management levels.

Job frustration among younger workers is increasing. In Japan, it is feared that this financial and professional frustration is undermining corporate loyalty, a bulwark of Japanese managerial success.

Traditionally, Japanese workers have remained with one company for their entire careers. For the first time, employees are looking to job switches as a way out of their frustration.

Japan's problems are shared by the U.S.; declining rates of productivity to offset increased pension and retirement benefits, a bulge in mid management due to the baby boom's coming of age, and the dilemma of either forcing early retirements or raising the mandatory retirement age.

The picture isn't entirely bleak. There are some benefits to this demographic disruption. The expanded population of senior citizens will create new service industries, helping the economy. The Nomura Research Institute notes that companies are already competing to develop new types of pension plans, hobby clubs and do-it-yourself instruction clubs. The larger issues of financial burden and lack of employment advancement, however, still must be addressed. *E.A.S.*

Tension on the Job

Do you have frequent headaches? Difficulty sleeping, even after a long day at the office? Frequent bouts of indigestion? Are you having trouble getting your work done? Do you often sit rigidly "at attention" at work? Are you increasingly irritable? Chronically fatigued—even before you start the day?

If you answer yes to any of these questions, there is a good chance you are suffering from excessive tension, according to an article by Eugene Randsepp (*Supervision*, March 1981).

Tension, a byproduct of stress, triggers or mobilizes the body to overcome crisis situations. Most of us can relax very soon after a crisis ends, but trouble begins when you find you can not unwind.

Excessive tension can have any number of roots—meeting impossible deadlines, making important decisions, personality conflicts, pressures of responsibility, fear of failure or criticism, a job that doesn't fit, excessive ambition, lack of opportunity for advancement and competition with incompatible associates—to name a few.

Your own attitude toward the situation can also produce tension. It can be a good idea to reexamine the importance of the tasks you are working on. Getting things organized, with the most urgent first, can eliminate a lot of tension.

Yale psychologist Chris Argyris says that "the supervisor who wants to keep his tensions under control should have the ability or capacity to allow others to discuss and pull apart his decisions without feeling that his personal worth is threatened; to ask embarrassing questions of himself; to try to understand his mistakes without becoming too upset about his personal responsibility for them; to accept hostility from others without giving any overt indication that he is hurt very much; to "dish out" such hostility as gracefully as he can receive it; to accept victory but never seem to become wildly elated; to take defeat without feeling that he's all washed up; to discipline others without feeling bad; and to motivate himself through his own self-pride while he keeps this feeling hidden."

If you are part of the estimated one third of managers and supervisors who have overdosed on tension, here are some suggestions to control it:

- Reduce the overtime you put in, at work or at home.
- Become aware of your assets, liabilities and the limits of your permissible stress.
- Find the cause of your fatigue. If you are excessively fatigued day after day, more physical activity might help. If you're bored, a simple change of routine might do.
- Recognize and heed your personal danger signals.
- When you get home, exercise vigorously, get into a cold shower or hot bath and retire early.
- Arrive at a few positive decisions—and stick to them.

L.I.A.

The "Me Generation" In Top Management

Subtle but significant changes are occurring in the way corporations deal with their rising young executives. Due to changing values and attitudes among young managers, many of the nation's corporations are being forced to reevaluate and change their management policies.

No longer are tried-and-true ways of getting ahead, like loyalty to the corporation, conformity, and deference to supervisors, top priorities with the younger group, reports the March 9 *U.S. News and World Report*. Instead, attitudes formed by the social upheavals of the 60's and 70's have replaced them.

According to research firm Yankelovich, Skelly and White, the new breed typically:

- Focus primarily on themselves rather than on a larger group.
- Expect to be paid well. The less they like their work, the better they expect to be paid for doing it.
- Are relatively unfazed by the threat of being fired.
- Want "feedback" from their superiors.
- Are unwilling to put up with boredom and want their work to be stimulating.

For the younger group, job security is not a primary consideration. With more and more two-career families, the financial strain on one member is lessened. As a result, corporations are finding that their young executives are not nearly as willing to relocate as they once were—even if failure to do so means loss of job.

Corporations also are finding that different incentives are needed to encourage employees to stay on the job. Heightened communication between employee and supervisor and more leisure time are replacing monetary and status incentives. The Hershey Corporation considers motivation of this group so important that it is designing jobs in a way that will hold the interest of young managers.

Analysts seem to feel that motivating this group is essential to boost the country's productivity. Unless young managers can be motivated, warn research experts Ann Howard and Douglas Br

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Lobbying By Federal Officials

The United States Court of Appeals for the District of Columbia recently issued a decision holding that the statutory prohibition on lobbying by Federal officials did not authorize private parties to challenge activities engaged in by the former Director of OPM supporting the Federal Employees Compensation Act of 1979. This decision is an extremely important one. A number of private organizations and individuals recently have attempted to rely on the anti-lobbying statutes to restrict communications of top level federal officials with members of Congress and constituent groups. These lawsuits, if successful, could significantly hamper an Administration's ability to pursue its legislative objectives. The decision of the Court of Appeals, however, ensures that routine statements made by Administration spokespersons in connection with legislative proposals cannot

Plaintiffs claimed that this communication violated two statutes that prohibit the use of appropriated funds for lobbying activities. One of the statutes, which is part of an appropriations bill, prohibits the use of appropriated funds for "publicity or propaganda designed to support or defeat legislation pending before Congress." *See*, Section 607(a) of the Treasury, Postal Service and General Appropriations Act of 1979, Pub. Law 95-429, 2 Stat. 1001. The other statute makes it a criminal offense to use appropriated funds to pay for any services designed to influence a member of Congress on legislation. *See*, 18 U.S.C. § 1913.

The Court held that the anti-lobbying statutes could not be enforced by private citizens or organizations. It found that the purpose underlying the anti-lobbying statutes was to ensure that Federal funds were expended in accord with the law. Thus, the "class" to be benefited by these statutes is the public at large, rather than any particular individual or group. The Court also noted that both statutes could be enforced by means other than a private lawsuit. The criminal statute, 18 U.S.C. § 1913, of course, could be enforced through criminal prosecution, as well as removal from office. Further, the Comptroller General has statutory authority to investigate the expenditure of appropriated funds and could enforce the provision included in the appropriations act. Consequently, the Court concluded that neither statute authorized a private lawsuit to enforce the congressionally imposed restrictions on lobbying.

The Court of Appeals also addressed the issue of whether plaintiffs had "standing" to bring this lawsuit. To have "standing", a plaintiff must establish that he or she has been *injured* by the defendant's conduct. The Court found that plaintiff NTEU was not harmed by the letter-writing activities. Further, it concluded that, even if the letter did influence newspaper editors, there was no link between the letter and the passage or defeat of the legislation. *National Treasury Employees Union* v. *Campbell*. Civ. No 79-2673 (D.C. Cir. June 5, 1981)

Prohibited Personnel Practices

The United States District Court for the District of Columbia recently issued a decision concerning judicial review of a personnel action that allegedly violates one of the prohibited personnel practices set out in 5 U.S.C. § 2302(b). The Court noted that, under the Civil Service Reform Act (CSRA), the Office of the Special Counsel is responsible for investigating claimed prohibited personnel practices and for seeking corrective action, if appropriate. Therefore, it held that Section 2302(b) could not be enforced through a private lawsuit brought by a Federal employee.

In *Cutts* v. *Ferris*, the plaintiff had been employed with the Federal Communications Commission (FCC) since 1963. As a result of a proposed agency reorganization in 1980, the plaintiff was to be assigned to a division headed by her husband. To avoid possible nepotism problems, the FCC advised her that she was being reassigned to another division.

The plaintiff filed a complaint with the Special Counsel seeking to stay her reassignment. She claimed that the agency had incorrectly interpreted the statutory restriction on employment of relatives, which is set out in 5 U.S.C. § 2302(b)(7) and 5 U.S.C. § 3110. Consequently, the plaintiff alleged that her proposed reassignment constituted a prohibited personnel practice under Section 2302(b)(1) which prohibits discrimination on the basis of marital status. The Special Counsel, however, refused to act on the plaintiff's request as he concluded that there were no reasonable grounds to believe that a prohibited personnel practice had occurred. When the Special Counsel declined to act, plaintiff filed this lawsuit.

The Court recognized that the CSRA does not expressly permit an employee to file a civil action for the purpose of enforcing the prohibited personnel practices. However, to determine whether the CSRA creates an *implied* cause of action, it analyzed the statute in light of the following factors: 1) whether the statute is intended for the special benefit of a class of which the plaintiff is a member; 2) whether there is any indication of legislative intent to permit a private remedy; and 3) whether a private cause of action would be consistent with the statutory scheme. Applying each of these factors, the

Court found that a private cause of action could not be inferred from the Reform Act.

First, the Court noted that the language of Section 2302(b) simply sets out certain conduct which Federal officials are prohibited from engaging in. Accordingly, the statute could not be interpreted as creating rights on behalf of Federal employees.

Second, the Court found that Congress had established a "complex and careful scheme" of enforcement under Section 2302(b). Thus, the Special Counsel has the authority to investigate allegations of prohibited personnel practices and to recommend corrective action. If the agency does not adopt the corrective action, the Special Counsel may bring the matter to the attention of the Merit Systems Protection Board (MSPB) and the Board may order the agency to take any corrective action necessary to remedy the injury suffered by the employee.

Finally, the Court concluded that permitting a private cause of action would be inconsistent with this statutory scheme. This is particularly true, as Congress did include provisions authorizing judicial review of adverse actions. Thus, the Court believed it "highly unlikely" that Congress inadvertently omitted the authorization for judicial review under Section 2302(b). *Cutts v. Ferris*, Civil Action No. 80-1992 (D.D.C. July 29, 1981).

In Brief, a regular summary of news on legal matters of interest to government managers, is prepared by the Office of the General Counsel, OPM.

Reconciliation Bill Highlights

In the last issue of *MANAGEMENT* this column explained the budget reconciliation process then underway in Congress. Now that the legislation has been enacted (*Public Law 97-35, August 13, 1981*) a summary of the provisions affecting government workers will help to explain the new law. As signed by the President, the act:

- Set a 4.8 percent ceiling on the pay raises of federal workers who otherwise would have been due an increase of about 15.1 percent in October. The law continues to permit the President to send to Congress an alternative pay plan calling for less than comparability in times of national emergency or economic distress. *See below for details of the alternative plan submitted for fiscal 1982.*
- Eliminated the semi-annual cost-of-living adjustment (COLA) for federal retirees. Annuitants will receive a single annual adjustment in March to reflect any rise in the cost of living.
- Permits OPM to enter into agreements with the states to withhold state income taxes from the annuities of civil service retirees who request that such withholdings be made. Currently, retirees pay taxes directly to the states.
- Established employee awards for the disclosure of fraud, waste, or mismanagement which can be made between October 1, 1981 and September 30, 1984. Agency awards are limited to \$10,000 each or to 1 percent of the agency's cost savings, whichever is less, with the Comptroller General reviewing the documentation substantiating the awards. The President was authorized to give up to 50 awards a year of \$20,000 each.
- Established procedures by which federal agencies may remove members of the Senior Executive Service (SES) because of a reduction in force required by reorganization, budget reductions, or other reasons. The provision entitles an SES employee to be placed in any vacant SES position unless the head of the agency determines that the individual is not qualified, and permits an SES career employee to appeal to the Merit Systems Protection Board if he or she believes OPM has not made a reasonable placement effort.

Alternative Pay Plan Submitted to Congress

President Reagan has formally recommended a 4.8 percent annual pay raise for the government's 1.4 million white collar employees for fiscal year 1982. This will save the government \$3.7 billion during the coming fiscal year as compared to granting full salary comparability.

Under the law governing federal pay raises, the President had to either permit the full adjustment to match increases in the private sector—15.1 percent as determined by current comparability calculations—or submit an alternate plan to Congress. As we go to press, it is considered unlikely that Congress will veto the alternative plan and permit the full 15.1 percent increase since the reconciliation act set a 4.8 percent limit on this year's increase.

The 4.8 percent raise is consistent with the amount that would have been considered "true comparability" if the President's pay reform proposal submitted earlier this year to Congress had been enacted.

Tax Law Changes Benefit Federal Employees

In addition to the lower tax rates Uncle Sam will be using for withholding Federal taxes beginning October 1, 1981, Federal employees and millions of other workers already covered by a pension program will be able to establish Individual Retirement Accounts (IRA's) as a result of enactment of the Economic Recovery Tax Act of 1981 *(H.R. 4242, now Public Law 97-34).*

Reduction in Force Benefits Guide

The information presented in this guide is intended to give a concise overview of the benefits provided for civilian officers and employees who are affected by Reduction in Force (RIF). The information is necessarily general in nature and will not apply in all cases. In many individual cases, it may be necessary to discuss these benefits with your personnel office staff members since they are the best source of more detailed information. Your agency personnelists are backed up by subject matter specialists in the Office of Personnel Management (OPM) who may be consulted, as necessary, on questions concerning unusual situations.

Unused Leave

Annual—Within certain statutory limitations, all civilian officers and employees covered by the leave laws or by other authorized leave systems are entitled to receive a lump-sum payment for accumulated and current accrued annual leave upon separation from the service.

Sick—Generally, an employee has no entitlement to payment for unused sick leave.

Severance Pay

If you have been employed for at least 12 months continuously and you are involuntarily separated from the service, and are *not* entitled to an immediate annuity, you will usually be eligible to receive severance pay to help you until you return to Federal employment. The maximum basic severance pay allowance is one week's pay at the rate received immediately before the separation for each year of Federal service up to 10 years of service, plus 2 weeks' pay at the rate received immediately before the separation for each year of Federal service over 10. For each year you are over 40 years of age, you receive an additional 10 percent of your basic allowance. The total severance pay you are eligible to receive is limited to one year's salary and will be paid at the same intervals at which your salary was paid while you were an employee. The one-year maximum is a lifetime limit so if you receive severance pay for a time, return to Federal employment, then are involuntarily separated again, you will be entitled to further payments, but not to exceed the combined period of one year.

Retained Grade or Pay

An employee who is placed in a lower-graded position in his or her agency as a result of reduction in force procedures is entitled to retain his or her grade for two years. The employee's retained grade will be treated as the grade of his or her position for the purposes of pay and pay administration, retirement, and life insurance, eligibility for training, promotions and within-grade increases, and for most other purposes. Following the two-year period of grade retention the employee is entitled to indefinite pay retention. Some employees may not be eligible for retained grade, but may receive retained pay.

Reemployment Priority List

A reemployment priority list is established and maintained by your agency for each commuting area. Unless an employee has refused an offer that would not involve a cut in grade or salary, his or her name automatically goes on the reemployment priority list for all competitive positions in the commuting area for which he or she is qualified and available.

Displaced Employee Program

A career or career-conditional employee, or an excepted service employee with competitive status, who has received a specific reduction in force notice is assured the broadest possible consideration for placement elsewhere in the agency or Federal Government. Accordingly, the displaced employee should read his or her RIF letter carefully since the notice would provide procedural information for placement assistance. To apply for assistance under the Displaced Employee Program, the employee should complete a SF 171, Personal Qualifications Statement, and submit it through the agency, which will send it to the OPM. An employee may apply for placement help as soon as he or she receives a specific RIF letter but no later than 90 days after he or she is separated or furloughed.

The pamphlet, FED FACTS 12: Displaced Employee Program *provides more details about this program. Contact your personnel office to obtain a copy.*

Unemployment Compensation

The Department of Labor, through agreements with State governments, administers the unemployment insurance program for federal employees. The program provides a weekly income for a limited period of time to unemployed federal civilian workers who qualify, to help them meet basic needs while searching for employment. If you become unemployed or enter a nonpay status and want to file a claim, go to the nearest state employment service office or unemployment insurance claims office to register for work and file your claim. Remember to take with you (1) your social security card, (2) your official notice of separation or nonpay status (Standard Form 50), and (3) a notice about unemployment insurance (Standard Form 8). Your entitlement to unemployment benefits is governed by the laws of the state (or District of Columbia) in which you were employed.

Civil Service Retirement

If you have been contributing to the retirement fund through payroll deductions, you are guaranteed a return from the retirement fund of an amount which is at least equal to your contributions. The return may be in the form of annuity payments or in the form of a lump-sum refund to you or your survivors.

Refund of Contributions

If you are separated from federal employment before completing 5 years of civilian service, your only right is to a refund of your retirement deductions; no purpose is served by leaving the money in the fund unless you expect to return to federal employment under the retirement system.

If you are separated after completing at least 5 years of civilian service, but before you are eligible for an immediate annuity, you have a choice of having your deductions returned or leaving the money in the retirement fund. If you leave your money in the retirement fund, you will be entitled to a deferred annuity at age 62. Usually the deferred annuity is more advantageous; you may wish to look into this point as it applies to your particular situation. Ask your personnel office for the pamphlet SF

2802-A *(Retirement Benefits When You Leave the Government Early)*. If you leave your deductions in the retirement fund when you leave the service, and later decide that you want them refunded, the refund will be made provided you are not already eligible (or within 31 days of eligibility) for an annuity at the time you apply for refund.

Eligibility for Annuity

You may retire at the following ages and receive an immediate annuity if you have at least the amount of Federal service shown and have served in a position subject to the retirement system for at least 1 of the last 2 years preceding the separation on which your retirement is based.

Types of Retirements	Minimum Age	Minimum Service (Years)
Optional—voluntary separation	62	5
	60	20
	55	30
Major RIF—Major reorganization; major transfer of function	any age*	25
	50*	20
Discontinued Service—involuntary separation without cause	any age*	25
	50*	20
Disability—any age* must be disabled for current position or any vacant position at same grade or pay		5

*Your annuity is reduced 1/6 of 1% for each full month (2% for each year) you are under age 55.

Usually, honorable active military service counts toward retirement, but in all cases you must have had at least 5 years civilian service in order to be eligible for retirement.

Application for Benefits

The Compensation Group, Office of Personnel Management, Washington, D.C. 20415, adjudicates all claims for benefits under the retirement system. Benefits are not paid automatically; you or your survivors must apply for them.

Forms to be used are:
- Application for Death Benefits (SF 2800)
- Application for Retirement (SF 2801)
- Application for Refund (SF 2802)

These forms may be obtained from agency personnel offices or from the Office of Personnel Management. A claim made within 30 days after separation should be sent to the former employing agency so that your retirement record can be attached.

The Pamphlet, FED FACTS 3: The Civil Service Retirement System *contains more information about retirement. Your personnel office can provide a copy of this pamphlet.*

Civil Service Eligibility

Employees serving in competitive service positions or those who have previously acquired civil service status may be eligible for reinstatement (that is, for reappointment without establishing eligibility on a competitive register) to any position in the competitive civil service for which they meet the requirements. Application for reinstatement should be made directly to the agency where employment is desired. That agency will determine qualifications and reinstatement eligibility.

If the reinstatement will be made at a higher grade than the individual last held in the competitive service, selection will be subject to the agency's competitive promotion procedures.

Life Insurance

If you have insurance (basic only, or basic and any of the options) it will terminate upon your separation from federal service unless you meet special requirements. While the insurance technically stops upon separation, your life insurance protection (but not accidental death and dismemberment provision) continues for an additional 31 days.

This temporary extension gives you an opportunity to convert all or part of your life insurance to an individual policy—without having to take a medical examination. The individual policy may be purchased from any eligible insurance company you select and will be a private transaction between you and the company. The premium will be that applicable to your age and class of risk and will be payable by you without contribution from the government.

You may continue your basic life (but not accidental death and dismemberment) insurance into retirement if: (1) you retire on an immediate annuity, (2) you have been insured for this basic coverage for the entire period(s) during which coverage was available to you, or for the last 5 years of service immediately before your retirement, and (3) you do not convert to an individual policy. At retirement, you can also elect a percentage (25%, 50% or 100%) of coverage you want to retain after you reach age 65 (or when you retire, if later).

Option A and/or B and/or C for which you pay the full cost until age 65 (or retirement, if later) can also be carried into retirement provided your basic insurance continues and you have had option A and/or B and/or C since your first opportunity to elect it or for the 5 years of service immediately preceding retirement. To assure continuation of insurance, file your retirement application promptly. If you defer filing, all unconverted life insurance lapses 31 days after separation, but will be reinstated when your annuity begins.

To convert or to continue insurance after retirement, you will need an Agency Certification of Insurance Status (Standard Form 2821) which your agency will issue at your request at time of separation and which contains full instructions.

Health Benefits

The Federal Employees' Health Benefits Program provides various types of hospital, surgical, and medical benefits for federal employees. You may, upon retirement, continue your enrollment, and the government will continue to pay the same contribution it pays for active employees, provided: (1) you retire on an immediate annuity, and (2) you have been continuously enrolled or covered as a family member (a) for the 5 years of service immediately preceding your retiremer
(b) for all service since

ging by GUILT

By RICK BRAYALL

Joe Diamond worked for his company for 15 years before he discovered he had no career future. He'd done a number of different jobs, never performing exceptionally well, but never having had a supervisor tell him that directly. Instead, he got small promotions or was transferred to other jobs. Once his new boss realized Joe couldn't handle the work, he was passed along once again.

Finally, Diamond's latest boss told him the truth: "Joe, you're not doing your job and you either have to start doing it, and doing it well, or look for something else."

A loyal and honest employee, Diamond was hurt, offended and madder than a hornet. Three weeks later, he handed in his resignation.

Diamond was a victim, just as surely as his company had been. None of Diamond's long succession of bosses had given him an adequate job performance appraisal, outlining his faults and providing direction on how to overcome them. Instead, they had taken care not to hurt his feelings or pride, but all the while crippling Diamond and his career, says psychologist Harry Levinson, head of the Levinson Institute in Cambridge, Mass.

Joe was a victim of management by guilt, Levinson says, an affliction that pervades all levels of management on the American corporate landscape. "In fact," he says, "management by guilt is probably the most widespread of all management maladies."

According to Levinson, who has served as a consultant to a wide range of businesses and written a number of books and articles on management, management by guilt occurs whenever a manager is unable to face the responsibilities of openly and honestly dealing with subordinates. It's a problem that shows up most frequently during performance appraisals.

"Whenever managers feel a sense of discomfort when giving employees unfavorable appraisals; or when informing them about any bad news; then they are managing by guilt rather than sound judgment," Levinson says.

Often managers rationalize their failure to deliver honest appraisals, saying the news will only harm the employee; that it will do them no good; that it may emotionally crush a worker who's been with the company for 15 years and has thought all along that he or she has been doing a good job. Often these feelings are so strong, Levinson maintains, that managers literally cannot give an adequate appraisal or even provide the proper on-the-job direction that employees need.

"Because managers have these feelings, they often cannot differentiate between being authoritative and being authoritarian," Levinson says. "It's as if to give direction or to give negative feedback is the same as to injure subordinates personally."

The results of management by guilt are always the same, Levinson says: bewildered employees, unhappy managers and a company whose people may well be working below the level needed to keep it afloat.

Management by guilt also undermines the special relationship that should exist between boss and subordinate. Levinson says each person should have confidence in the other. If they don't, and if the boss can't find a way to express displeasure or lack of confidence clearly, then things are not as they should be.

In the triangle created by management by guilt—boss, subordinate and company—no side ever comes up a winner.

But the biggest loser is always the employee, Levinson says. The history of business and management is full of people who couldn't make the grade in one company yet who went on to outstanding success in another, he adds. "Some people just aren't cut out for certain jobs. A natural salesman should never be an accountant and vice versa. Bosses need to be aware of this and be able to encourage subordinates to look for success in other jobs or fields, without maiming the subordinate's career by managing by guilt," Levinson explains.

As a first step toward eliminating management by guilt, Levinson advises looking for a number of telltale symptoms. The most obvious is the great discomfort some managers feel when confronting an unsatisfactory employee. As Levinson points out, no one likes to hear ill tidings, but managing people includes hearing both good and bad news. If, instead of facing problems head on, managers tend to avoid a situation, couch criticism in faint praise or avoid issues altogether, guilt is probably the motivator, he says.

The second tendency is for managers to blame themselves when subordinates don't perform up to par. "Many managers feel that if someone is not working out, it's the boss's fault," Levinson says. "They think if only they were better managers they could find a new button, push it and get their people working right. The idea that a good manager should be capable of managing every problem is a bunch of baloney. Some subordinates are just not suited for their jobs and supervisors have to realize it."

A third symptom is a corollary of the first: an exaggerated sense of discomfort or guilt when a negative action is taken. "If managers feel guilt continually; if it continues to build; if they fear an employee may commit suicide as a result of a bad appraisal, then management by guilt is running rampant," Levinson says.

Mixed signals are another obvious sign of management by guilt. The signals may vary, but they always leave the employee wondering just where he or she stands and why. The employee who gets a good appraisal, but no increase in pay is understandably baffled. So, too, is the subordinate who gets a small promotion, coupled with a boss's thinly-veiled and acid tongued criticism.

"Subordinates are caught in a bind over mixed signals," Levinson says. "They're told everything is fine, but they're never really permitted to savor success. They can't read the boss's mixed signals, so they're paralyzed.

"To truly manage, you have to be able to speak directly to anybody who reports to you. There are ways of telling people very directly about their performance without telling them that they are no damn good."

Continuity, however, can be as crucial as candor, he adds. "If you are giving a person feedback continually, there are no surprises in an appraisal session," Levinson explains.

The final sympton is a manager's overpowering need to compensate for being candid with a subordinate about job performance. It can be unwarranted praise of a job not well done, excessive wages or an unusually large bonus for a marginal employee, or a transfer to a better job. "Those afflicted with management by guilt see this as an atonement for having 'hurt' the person in other ways," Levinson says.

Like any other malady, management by guilt can be cured once it has been diagnosed, Levinson says. But the cure often can be as painful as the disease itself.

"The best way to handle management by guilt is at the peer level," he says. "Managers who are aware of it should get together and discuss it, sort out their problems and think of ways of attacking the situation. They can even go to their superiors for support, but one thing is evident: something needs to be done."

Merit Pay to Be "Transitional"

As a result of a decision by the General Accounting Office, 125,000 Federal managers and supervisors covered under merit pay will receive the same 4.8 percent pay raise that other employees receive in fiscal 1982. The Office of Personnel Management had originally planned to implement a full-fledged merit pay system, under which the merit pay group would have received an automatic one-half of comparability (2.4 percent this year) and additional increases based on performance rather than time in grade.

The Comptroller General's decision, delivered three weeks before the planned implementation date of October 1, objected to the computation of the first year phase-in of the projected system. GAO contends that the first year of conversion would provide more money to the merit pay fund than would have been paid under the General Schedule. Such overfunding,

granting within-grades over the entire year. GAO also objected to including officially scheduled (asterisked) rates of employees capped at $50,112 in the merit pay pool on the grounds that agencies could take merit pay funds that would have been capped and pay them to employees with pay below the cap.

The Office of Personnel Management has issued program guidance for an alternate, transitional plan under which merit pay employees who are rated at or above "fully successful" or "fully satisfactory" will receive additional compensation above the 4.8 percent general pay raise suggested by the President. However, the amounts will be significantly smaller than those projected under the original plan. The guidance also instructs agencies either to place capped employees in their own merit pay pool or to remove them entirely from the merit pay fund computation and adjust their compensation *on paper only*, based on their performance.

OPM Director Donald J. Devine has stated that he is committed to a full merit pay system and will make continued efforts to work with Congress in establishing a system for the next fiscal year that will provide meaningful rewards for outstanding performance.

Humorous Management

Humor—in the right dose, with good intentions and in the right place—can be a valuable tool for managers, according to the May 1981 *Management World*. Author Michael Sleeter points out that although humor has its roots in aggression, it also is a positive and useful tool to relieve tension, to attract attention and to make a point.

Humor is an effective way to communicate, and the manager who is perceived as humorless can block communication and reduce his or her effectiveness. It can also be a vital element in stress management; in pressure situations where deadlines, meetings and profit-loss concerns can affect the worker both mentally and physically, a good laugh often releases tension and refreshes the body. Increased productivity can result, as well.

"It is valuable for us to be able to crack a joke, or laugh at one, and the use of humor is advantageous both for the manager and for the work group as a whole," states Sleeter. S. W. L.

Labor's Statistics on Flexitime

The Department of Labor reports that as of May 1980 some 7.6 million workers—12 percent of the nation's non-farm wage and salary employees—were on flexitime. Nineteen million workers used compressed weekly work schedules.

Flexitime, under which a worker may vary his daily work schedule while maintaining the same number of hours in a given time period, has proved to be very popular among government workers, where one out of every five employees works on a flexible schedule.

The report also showed the groups tending to use flexitime more were men (only slightly more than women), the prime age group of 25 to 54 and, more notably, workers over 65. *L.I.A.*

PACE Rescheduled . . . *Again*

Originally scheduled at the end of 1981, the Professional and Administrative Career Examination (PACE) has again been postponed. It will be administered from January 2 through February 17, 1982. The application period closed October 13, 1981.

As of the close of business August 17, 1981, 109,914 individuals had applied to take the Air Traffic Controller test. This great response is the main factor contributing to the delay of the PACE. L.I.A.

Competency Testing: A Bold New Approach To Personnel Screening and Training

Competency tests—are they just another smooth packaged quick cure for personnel problems sold by management consultants in recent years? Daniel Goleman, in "The New Competency Tests: Matching the Right Person to the Right Job," (*Psychology Today*, January 1981) explores this new placement method, which is gaining ground on more traditional aptitude tests. This new area in management "assumes that standardized tests of intelligence and aptitude are crude instruments that may be irrevelant to real-life success."

In 1973, *American Psychologist* published an article by Harvard psychologist David C. McClelland, that challenged the assumptions of the standardized tests and stated the case for replacing them with some type of competency testing. The article pointed to tests where actual job situations were to be measured, such as the civil service exam for policemen. These general intelligence tests call on the applicant to draw verbal analogies or choose the correct meaning of words like *lexicon*.

McClelland argued that although these tests may be a reflection or a person's academic potential there are few occupations of life situations that require a person to do word analogies or choose the most correct of four alternative meanings of a word. Tests need to be given that more accurately reflect the proficiency and skills needed for a particular job. "If you want to test who will be a good policeman, go find out what a policeman does. Follow him."

Competencies are defined "not as aspects of a given job, but as special characteristics of the people who do the job best." The object of competency testing is to find out what distinguishes the "water walkers" (top notch performers) from the ones who merely do enough to keep from being fired.

An intensive interview technique has been developed to discover these competencies. Instead of "being like flies on the wall" and observing the workers every moment of the day, which is highly impractical, interviewers have become more like investigative reporters.

Interviewees are asked to describe several episodes in which they have performed well in their jobs and also where they have done poorly. With each episode, the psychologist-interviewer "walks" the person through the incident, demanding all the specific details: the dates, where it occurred, who else was present, what was said and so on. Competencies are distilled from the interviews and tested in a critical-decision test. McClelland is convinced that the concept is

the method has to be adjusted for each client. Also, there has been little evaluation done on this method to verify its effect, mostly because much of the work is too recent. Critics doubt that vague qualities such as self-confidence, leadership or social sensitivity can be measured. But McClelland's reputation as a psychologist has allowed the doors to open at least so that several major employers, including a major retailer and the U.S. Navy, have given serious consideration to competency testing for job placement and training purposes. *L.I.A.*

Classification Escalation

I read Dana Lund's article, "Position Classification: Something You Can Do About Inflation," in your Winter, 1981, issue. As a field personnel officer in an operating office I can readily agree that this is an area where managers could do something about the cost of government. And there is no doubt that the "tremendous pressures… exerted on the position classifier to accept an inflated position description and upgrade the position" exist.

Is the answer to this problem of grade inflation simply an appeal to the altruism of the managers involved? This seems highly unlikely. If appeals to do things right in classification, and to design organizations to concentrate the most highly graded work in the fewest number of positions that was reasonable, worked, then we would not be in need of articles such as this one. Classifiers, at least in my office and in the other ones with which I am acquainted, regularly make similar, if rather subdued, pleas for just such good management practices. The statistics cited on overgraded jobs makes me doubt that this type of appeal is likely to produce the desired results

position descriptions and of the organizational structure. The disadvantages of overgrading are far less apparent, and the ones which do exist are not readily visible to managers at the lower levels in the organization. Disadvantages are mostly to the long-range good of the agency, to its ability to meet its goals within an established budget, and, in the long run, to affected employees.

What penalty is imposed on a manager for getting a job upgraded? What about the classifier who does the upgrading? There is some chance that the grade of a job will be challenged as the result of an OPM review, but even if this happens, it seems rare for OPM to take any disciplinary action against the managers or classifiers involved. And the appeals process can delay any actual downgrading of positions for a considerable length of time. After all, most classifiers are smart enough to make sure that at least a plausible case can be made for classifying the position description at the assigned grade, even if he or she knows that the position will never function at that level. Should the unlikely event of a downgrade actually came to pass, either because of an OPM review or because of some agency action, the manager can always take refuge (from both employees and higher level managers) in the problem being caused by classifiers or OPM, and not by his or her own unwillingness to accurately describe the job, or to accept the classifier's honest judgment as to the grade.

In those parts of an agency where the budget is a real concern, the organizational costs of overgrading may be obvious, and these costs may be a concern. But, even if the managers at the top are concerned, it is very difficult for this feeling to filter down to lower managerial levels in the field. It is far easier to hold managers to account for travel funds, supply budgets, and even overall staffing levels, than to deal with the manager who encourages the classifier to place a higher grade on a job. This is true even if the overgrading takes place routinely.

Overgrading even has long-range disadvantages for many of the employees involved. While they may be paid more for the moment, they are not really receiving the type of experience which will prepare them for more responsible jobs in the future. The incentive to seek better jobs, more fulfilling ones, also disappears. And employees who are selected for these higher graded jobs may find themselves disappointed at the lack of challenge they find. Overgrading in one area of an organization tends to promote overgrading in others in order to avoid loss of valuable employees to other positions where they may contribute less to the overall mission.

Because of the differences between offices and functions, even within one agency, it is very difficult to rate managers on their effectiveness both in classification of individual jobs and on the way they structure their organizations to maximize or minimize grade levels. There is no true profit or loss statement to show how well a particular manager at a lower level is doing. His or her office is unlikely to go broke (in the salary area, at least). There is, in short, no realistic reason for most field managers to use position management and classification effectively for cost control.

It seems to me that the Merit Pay System and the Senior Executive Service provide some tools for creating incentives through measurement of average grade, or of average grade reduction over a period of time. A measure of average authorized grade in the organization over a period of time might be an even better measure. On a still more creative level, perhaps managers should be allocated budgets to accomplish their task, and if they could get it done more cheaply with two GS-13's than with four GS-9's over a period of several years, then let them do it. This might turn the classification specialist into an advisor on how the budget could be spent most effectively, who could prove his or her worth by providing advice in the same way an outside consultant might for a private firm.

I do not know the solution to the problem of grade control, but I do believe that seeking meaningful ways to recognize good and poor classification and position management practices is far more likely to produce results than any appeal to reduce inflation.

Ali N. Stroud
Dallas, TX

Suggested Solution to the "Quagmire"

In "The Clerical Quagmire" (Spring 1981) Michael L. Monroe exudes an air of superciliousness that, if common among professionals, might account for the low performance level he says prevails among clerical employees. Early on, he posits without the slightest demur the existence of a social and economic tracking system; those from the suburbs, he says, go to college and become the professional employees, whereas those from the small towns, farms, and ghettos, where the schools are poor, are "destined to fill the clerical employment ranks." He believes that those in the lower track should emerge from high school with "a knowledge of office skills" enabling them to face what he calls, in a burst of euphemism, "the clerical challenge." This calling requires "great concentration, constant attention to detail, a high tolerance for tedium, proficient office machine skills, and a significant understanding of the English language."

Professional employees, on the other hand, are "creators of ideas" who "make and recommend decisions." He is concerned that they are having to do more and more of the clerical work.

Mr. Monroe's solution to this problem is to lean on the supervisors so that they will properly select, train, reward, and discipline clerical workers. Selecting and training are of course necessary roles for supervisors, and it should go without saying that unqualified people should not be hired in the first place. But when substantial numbers of people (I am taking his word on this) need to be browbeaten into doing their jobs properly, something else would seem to be needed besides having the supervisors tighten the screws.

The natural inclination of any person—even those from mountains, ghettos, barrios and wherever pidgin English is spoken (to borrow Mr. Monroe's language)—is to perform well in his or her job and to wish to have that performance respected and appreciated. Money is an important symbol of that appreciation; but most people will sacrifice some money for respect and a sense that their job is worthwhile. The large numbers of people who do voluntary work in this country aren't kept at their tasks by menacing supervisors. Mr. Monroe testifies to the importance of clerical tasks: "Poor clerical work can so devastate a document that it can bring disfavor upon even the most brilliant idea." I wonder, then, if the people with such great responsibility are suitably rewarded with money and respect. The tenor of his article does not reassure me.

I am troubled by other statements of his. Where do the misspellings come from that, he says, must be corrected by high-level proofreaders? I would guess that "the creators of ideas" themselves may be responsible for many of them. From time to time students in my college classes and professionals in my workshops tell me that they expect their secretaries to take care of things like punctuation, grammar, and spelling; the tone of the voice says, "These incidentals are beneath me." But I believe that anyone who doesn't know them is not a professional. Think of the time and money that could be saved if neither the clerical staff nor the high-level scientists had to correct errors of this kind.

So I'd like to offer an alternative solution. By all means upgrade the skills of clerical workers, if necessary. They should be able to write reasonably well, since good writing is a skill everyone can learn. And then give them the respect, responsibility, and pay that their skills qualify them for.

But at the same time upgrade professional employees' clerical skills. Mr. Monroe wants to sharpen the differences between castes; but the belief that rigidly defined lines between working groups save money is a myth—in fact, such sharp divisions are inefficient and therefore cost more. All professionals should be able to type well enough to do their own routine memos and letters, if necessary; and all of them should have at least a minimal working knowledge of word processors and computers. The more these two groups know about the others' jobs—whether they actually perform them or not—the better they'll be able to perform their own. A meshing has to take place which apparently is not taking place now—or it is, but not by design.

Much of the reluctance of upper-level bureaucrats to dea[illegible] (or eve[illegible] them) comes from a fear that they will endanger their status if they do. For some, their sense of importance is reinforced every time they get an underling to run off a Xerox copy that they could run off themselves in less time than it would take to fetch someone and wait. By being willing and able to do some of their own clerical work at times, they would send the message that such work is not demeaning; they might actually come to believe it themselves. With the resultant rise in employee morale, the "creators" might actually find that they get better and more clerical help than before.

One caveat. Attempts to upgrade the writing abilities of clerical employees will have little or no effect if the professional staff insist on the old familiar bureaucratese. Many clerical employees and junior level professionals are actually afraid to improve their writing because, as they have told me, "my boss will change it—he likes to use those big, fancy words." So written English needs improvement from top to bottom. And it needs to be done in that order.

Finally, why don't we get some new labels? Isn't anyone who performs a job well and gets paid for it a professional?

Jean Johnson
Arlington, VA

Note: Often, some o[illegible] most interestir[illegible] receive are u[illegible] we cannot pu[illegible] [illegible] hold a writer's name upon request, should we publish the letter. Ed.